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NEW YORK, NY 10022

EXAMINER

POND, ROBERT M

ART UNIT

PAPER NUMBER

3625

DATE MAILED: 04/15/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

**Office Action Summary**

Application No.

09/471,971

Applicant(s)

GALUTEN ET AL.

Examiner

Robert M. Pond

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 07 March 2003.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 3-88 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 3-88 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 23 December 1999 is/are: a) ☐ accepted or b) ☒ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on \_\_\_\_\_ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

**Priority under 35 U.S.C. §§ 119 and 120**

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)                  | 4) <input type="checkbox"/> Interview Summary (PTO-413) Paper No(s). _____  |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)         | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____ | 6) <input type="checkbox"/> Other: _____                                    |

## **DETAILED ACTION**

### ***Continued Examination Under 37 CFR 1.114***

A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 07 March 2003 has been entered.

### ***Response to Amendment***

The Applicant filed a Request for Continued Examination under 37 CFR 1.114, submitted a new Declaration under 37 CFR § 1.131, and added Claims 85-88. New art was cited to address pending claims, 3-88, in this non-final office action.

The Declaration filed on 07 March 2003 under 37 CFR 1.131 is sufficient to overcome Downs et al., patent number 6,226,618, and Business Wire ("NetWaveInc.com<sup>TM</sup> Kicks Off QuickBuy<sup>TM</sup> Enabling Faster, Easier, Safer E-Business," 7 October 1998, 1337, Dialog File 148 #10507244) references.

***R sponse to Arguments***

Applicant's arguments with respect to Claims 3-88 have been considered but are moot in view of the new ground(s) of rejection. The Applicant's arguments were based on prior art that is no longer applicable.

***Drawings***

1. New corrected drawings are required in this application because Applicant's informal drawings do not meet margin requirements (see Figs. 2, 4, 5-13). Please refer to 37 CFR 1.84 for drawing standards. Applicant is advised to employ the services of a competent patent draftsman outside the Office, as the U.S. Patent and Trademark Office no longer prepares new drawings. The corrected drawings are required in reply to the Office action to avoid abandonment of the application. The requirement for corrected drawings will not be held in abeyance.

***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

2. **Claims 3-4, 8, 12-16, 18-24, 28, 31, 42-43, 47, 51-55, 57-63, 67, 70, 81, and 83 are rejected under 35 USC 103(a) as being unpatentable over Liquid Audio (PTO-892 Item: U) in view of Official Notice regarding web server interaction with web browsers and media players, hereafter referred to as "ON1."**

Liquid Audio teaches a secure Internet music on-demand delivery system and method that allow online consumers to purchase or sample music titles via a media player. The online music delivery system comprises a) an Internet mastering and encoding system for publishing copy protected music for delivery via the Internet that uses encryption to secure the transmission to a media player, and implements watermarking to guard against piracy (see Item U; page 1-2), b) a music server where the audio and media assets are stored, "served up" to online consumers, and monitored. The music sever utilizes standard protocols to delivery high-quality, scalable, Dolby-encoded audio and media over IP networks, provides simultaneous audio streams, and provides a turnkey solution for asset management, copyright protection, royalty tracking and reporting, and all other aspects of transaction-based music commerce. The music server links additional information pertaining to the music track (e.g. sale price, tour schedule, discounts and coupons) that can be requested via the media player (see Item: U, pages 2 and 11), c) media player software that resides in a consumer's computer that lets the consumer preview or purchase CD quality music from the Internet. The media player allows the consumer to see album graphics, lyrics, liner notes

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and promotions while listening to superior sound provided by Dolby Digital Technology. The music player allows the consumer to purchase a CD the traditional way, or purchase sound tracks delivered over the Internet in audio streams. The music player supports database functions, and provides a music organizer that allows the consumer to display music files by artist, song title, play time, status, and audio quality, sort files by multiple criteria, play songs by clicking on their titles, and compile favorite song lists. The media player decrypts received tracks and protects both the record label and artist's rights (see Item: U, pages 2 and 12-13), and d) the use of a password protected music passport that authorizes the consumer to purchase and use sound tracks delivered to the media player. The music passport includes consumer name, address, and credit card information. Liquid Audio teaches consumers downloading the media player free of charge at the click of a button or from other sites using the Liquid Audio delivery system and sampling sound tracks (see Item: U, pages 15 and 19). Liquid Audio teaches the Liquid LicenseCenter being a trusted third-party system for delegating and enforcing licensing between the key parts of the system- licenses for consumers using the music player, distributors using the music distribution server, and publishers using the mastering tools (see Item: U, page 3).

Liquid Audio teaches all the above as noted under the 103(a) rejection and teaches consumers using the media player, and further teaches the media player communicating with the music distribution system over the Internet in a secure

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format as consumers search for titles and make purchase selections. Liquid Audio, however, does not disclose specific wording reflective of the instant claims from the music distribution server's perspective. This examiner takes the position on the following:

- A consumer who clicks one or more sound track icons as displayed by the music distribution server to purchase the sound track(s) or request related information, causes action within the media player to transmit these selections to the music distribution server. From the server's perspective, it is receiving a request for an item for subsequent delivery of the requested items to the consumer's media player.
- A consumer who views sound track information with a displayed purchase price associated with the sound track is viewing an offer formulated by the music distribution server.
- A consumer who clicks on the player download icon causes action within the media player to transmit the download request to the server. From the server's perspective, the server detects the consumer does not have a player and wishes to receive a media player via downloading action on the part of the server,
- Activating the media player once downloaded into the consumer's computer is essential for proper operation with the music distribution server, and

- Computer readable medium and a processor are well-known and necessary components of computer systems used to store program code executed by the processor.

Therefore it would have been obvious to one of ordinary skill in the art at time of the invention that actions initiated by the music distribution server's media player on the consumer's computer will cause responsive actions at the server as taught by ON1, in order to complete the transactions necessary to conduct online commerce.

3. **Claims 5, 9-11, 17, 25-27, 29-30, 32-36, 38-41, 44, 48-50, 56, 64-66, 68-69, 71-75, 77-80, 82, and 84-87 are rejected under 35 USC 103(a) as being unpatentable over Liquid Audio (PTO-892 Item: U) and ON1 regarding web server interaction with web browsers and media players, as applied to Claims 3 and 42, further in view of Electronic Commerce News (PTO-892 Item: V) and Ginter et al., patent number 5,910,987, cited in PTO-892 Paper #10.**

Liquid Audio and ON1 teach all the above as noted under the 103(a) rejection and further teach the Liquid LicenseCenter being a trusted third-party system for delegating and enforcing licensing between the key parts of the system-licenses for consumers using the music player, distributors using the music distribution server, and publisher using the mastering tools (see Item: U, page 3), and further



teach content rights management and validating consumer access to rights protected music content, but do not disclose details on how this accomplished.

Electronic Commerce News teaches Softbank's The Rights Exchange service based on technology from InterTrust Technologies Corporation. The Rights Exchange is a clearinghouse service for companies wanting to manage digital property rights and business models in cyberspace. Electronic Commerce News teaches content metering technology providing secure methods of transport to protect intellectual property online. The Rights Exchange service enables companies to assign business rules to digital content, wherein these rules can be time-based (i.e. a user can only view the information for a designated amount of time), event based (i.e. pay-per-use model), or conditional (i.e. special pricing or upgrade pricing schemes). Electronic Commerce News further teaches Universal Music Group becoming a Direct Services Partner with Softbank, which amounts to a retail agreement for direct service to The Rights Exchange powered by InterTrust Technologies Corporation (see Item: V, pages 1-2). Ginter et al. teach systems and methods of InterTrust Technologies Corporation for secure transaction management and electronic rights protection, and secure chains of handling and controlling information content (e.g. audio, catalog) and information employed to regulate the use of such content (see at least abstract; col. 1, lines 1-34; col. 3, lines 50-55; col. 4, lines 1-67; col. 5, lines 1-44; col. 6, lines 1-67; col. 18, line 45). Ginter et al. further teach:

- content containers, container content objects, databases, and metadata,

- display interfaces, a web browser, and database linkage via dynamic links supported by URLs (see at least col. 102; lines 11-17; col. 290, lines 32-34; col. 289, lines 14-19),
- customized interfaces based on security levels (see at least Fig. 7 (602, 614); col. 77, lines 12-29),
- customized access rights and delegation of access rights implemented with a very flexible and extensible content permission rights and user identification scheme aligned by individuals, installations, by groups, by function, and by hierarchical identification (see at least Fig 5b (808); Fig. 26 (808); col. 13, lines 54-60; col. 25, lines 31-38; col. 59, lines 1-18; col. 259, lines 31-67; col. 260, lines 1-10; col. 274, lines 23-67; cols. 275-278),
- formats including but not limited to text, video, audio, graphics, and scanned images (see at least Fig. 5b (304); Fig. 7 (626); col. 51, lines 15-20; col. 58, lines 59-67; col. 131, line 58 through col. 132, line 12; col. 257, lines 13-25; col. 291, lines 64-65),
- object creation and control structures, users creating and partitioning VDE objects by placing meta-data (e.g. author's name, creation date) into them, and assigning rights associated with them and/or object content (e.g. publisher and/or content creator respectively) (see at least Fig. 5a (300); col. 259, line 30-46),
- permission records specifying various control relationships between objects and users, supporting single access (e.g. one-to-one relationship

between a user and a right user) and a group access (any number of users may be authorized as a group) (see at least col. 259, line 65 through col. 260, line 6),

- using media players and multimedia players (col. 59, lines 53-67), and
- group-based and role-based access to content (see at least col. 278, lines 21-25), and by example, teach the sharing of personalized content among a group of or peers working for a law firm (see at least col. 274, line 23 through col. 277, line 25), and
- electronic agreements and rights protection, contract agreements with content creators, content providers, other sources of content, rules and control pertaining to agreements, validation of content offers, validation tagging, user rights tables, and object registries (see at least Fig. 2 (100); Fig. 2a; col. 2, lines 47-60; col. 4, line 36; col. 5, lines 38-39; col. 6, line 45; col. 8, lines 16-45; col. 8, line 66 through col. 9, line 13; col. 9, lines 40-65; col. 10, lines 41-47; col. 14, lines 14-48; col. 40, lines 18-29; col. 44, line 52 through col. 46, line 64; col. 53, line 18 through col. 56, line 7; col. 71, lines 20-24; col. 151, 26 through col. 158, line 56; col. 241, line 5 through col. 254, line 34; col. 297, lines 7-15).

Therefore it would have been obvious to one of ordinary skill in the art at time of the invention to modify the system and method of Liquid Audio and ON1 to disclose offer validation and rights data generation specifics as taught by

Electronic Commerce News and Ginter et al., in order to more completely convey how content validation is monitored and tracked, and how rights data is generated and updated per established license agreements.

Liquid Audio and ON1 teach all the above as noted under the 103(a) rejection but do not disclose sending a content reference from a first consumer to a second consumer, sending the second consumer selected information, determining whether the second consumer is authorized, rendering the information to the authorized second consumer. Electronic Commerce News and Ginter et al. teach all the above as noted under the 103(a) rejection and further teach a) launching content in the form of traveling objects supplied by a content provider to an end-user who can then copy or pass along the content to other end-user parties without requiring the direct participation of a content provider to register and/or initialize the content use (Ginter et al.: see at least Fig. 19; col. 24, lines 25-62; col. 128, line 38 through col. 131, line 57, col. 262, lines 41-55), and b) passing traveling objects along to a second consumer for content evaluation purposes (Ginter et al.: see at least col. 131, lines 55-60). Therefore it would have been obvious to one of ordinary skill in the art at time of the invention to modify the system and method of Liquid Audio and ON1 to include traveling objects as taught by Electronic Commerce News and Ginter et al., in order to create additional content sales opportunities for the electronic commerce site.

Liquid Audio and ON1 teach all the above as noted under the 103(a) rejection and storing the consumer's credit card information in the consumer's passport,

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but do not disclose other payment alternatives. Electronic Commerce News and Ginter et al. teach payment alternatives for financial transactions (e.g. credit or debit) and payment alternatives for usage (pay per use, unlimited use, flat rate) (Electronic Commerce News: see Item V: page 1; Ginter et al.: see at least Fig. 4 ("How to Pay," "Cost of Unit"); Fig. 25; col. 142, lines 47-50). Therefore it would have been obvious to one of ordinary skill in the art at time of the invention to modify the system and method of Liquid Audio and ON1 to include payment alternatives as taught by Electronic Commerce News and Ginter et al., in order to provide desirable and competitive approaches to delivering content and paying for content, and thereby attracting content owners, content providers, and consumers to the electronic commerce site.

- 4. Claims 6-7, 37, 45-46, 76, and 88 are rejected under 35 USC 103(a) as being unpatentable over Liquid Audio (PTO-892 Item: U) and ON1 regarding web server interaction with web browsers and media players, as applied to Claims 3 and 42, further in view of Electronic Commerce News (PTO-892 Item: V), Ginter et al., patent number 5,910,987, cited in PTO-892 Paper #10, and Official Notice regarding well-known sales techniques, hereafter referred to as "ON2."**

Liquid Audio and ON1 teach all the above as noted under the 103(a) rejection and teach consumers sampling sound tracks, but do not specifically disclose providing alternative content or default content during offer validation. Electronic

Commerce News and Ginter et al. teach all the above as noted under the 103(a) rejection and teach validating a user content request at various phases of VDE access, and further teach by example, time-aged decryption keys that may be used to allow the purchaser of a "trial subscription" of a electronically published newspaper, and to access each edition of the paper for a period of one week after which the keys would no longer work. The user would need to purchase one or more new permission records or receive an update to an existing one or more permission records, to access editions other than the ones from that week. Access to those other editions might be handled with a totally different pricing structure (e.g. a regular subscription rate as opposed to a free or minimal trial subscription rate) (Ginter et al: see at least col. 205, lines 21-31). Electronic Commerce News and Ginter et al. teach user interface pop-up displays that are driven by the user notification exception interface. The exception interface provides an interface for communicating with other electronic appliances (e.g. consumer computer), including requesting and/or for purchasing or leasing content from distributors, requesting clearinghouse credit and/or budgets, and sending and/or receiving information. By example, a pop-up consumer interface dialog is activated when an action by a consumer has been trapped to warn the user about the amount of expense that will be incurred by the user's action, as well as to alert the user about the object that has been requested and what that particular object will cost to use. Electronic Commerce News and Ginter et al. further teach the pop-up interface informing consumers about expirations of

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permission records or other dates/time events (Ginter et al.: see at least col. 235, line 7 through col. 236, line 59). This examiner takes the position that once the consumer attempts to access an expired trial offer, the user notification exception interface will notify the consumer that time has run out and offer options (Ginter et al: see Fig. 72b). This examiner further takes the position that it is a well-known technique in sales to offer a prospect who just completed a trial offer, the "real deal." In the example, the "real deal" would be a full subscription or comparable substitute in an attempt to close a sale on a prospect. Therefore it would have been obvious to one of ordinary skill in the art at time of the invention to modify the system and method of Liquid Audio and ON1 to offer alternatives as taught by Electronic News, Ginter et al. and ON2, in order to potentially capture sales revenue from a pre-qualified prospect by attempting to sell the full offer, and thereby improve the odds of increasing sales rather than to simply let the "trial offer" consumer leave the electronic commerce site without making a purchase attempt.

***Conclusion***

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure:

US 6,385,596 (Wiser et al.) 07 May 2002; teach the system and method of Liquid Audio of secure online music distribution.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to **Mr. Robert M. Pond** whose telephone number is 703-605-4253. The examiner can normally be reached Monday-Friday, 8:30AM-5:30PM Eastern.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, **Ms. Wynn Coggins** can be reached on 703-308-1344.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the **Receptionist** whose telephone number is **703-308-1113**.

Any response to this action should be mailed to:

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or faxed to:


**703-305-7687** (Official communications; including After Final communications labeled "Box AF")



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Hand delivered responses should be brought to Crystal Park 5, 2451 Crystal Drive, Arlington, VA, 7<sup>th</sup> floor receptionist.

RMP  
April 4, 2003



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